DOCUMENT RESUME

ED 465 065 CE 083 310

AUTHOR Giloth, Bob; Gewirtz, Susan
TITLE Retaining Low-Income Residents in the Workforce: Lessons from the Annie E. Casey Jobs Initiative.
INSTITUTION Annie E. Casey Foundation, Baltimore, MD.
PUB DATE 1999-12-00
NOTE 10p.; First in a series of research briefs about lessons learned from the Annie E. Casey Jobs Initiative.
AVAILABLE FROM For full text: http://www.aecf.org/jobsinitiative/retention.htm.
PUB TYPE Information Analyses (070)
EDRS PRICE MF01/PC01 Plus Postage.
DESCRIPTORS Adult Education; Demonstration Programs; Employment; Employment Experience; *Employment Services; *Job Placement; Labor Market; *Labor Turnover; Low Income; *Low Income Groups; *Management Information Systems; Poverty Programs; Program Implementation; *Self Evaluation (Groups); Tenure
IDENTIFIERS *Annie E Casey Foundation

ABSTRACT

Annie E. Casey Jobs Initiative sites recognize the challenge that long-term retention poses in today's labor market for low-income residents. They have developed key elements of an operational definition of retention, including the following: no limitation to one job, but only very limited gaps between jobs; and jobs in construction or other seasonal work needing a more flexible definition. The need for self-assessment and continuous improvement is a central assumption. Sites have developed management information systems for collecting, analyzing, and reporting outcomes data. Cross-site findings are that more than 6,000 residents have enrolled in various jobs projects across 5 sites; nearly 2,300 have been placed into jobs; those with prior work experience placed in employment experience significant hourly wage and earning increases and a higher rate of employer-provided health benefits; about 75 percent of those eligible have reached the 3-month retention milestone; people are more likely to drop out of their job placements within the first 3 months of employment or after the 6-month point; and residents in work sites where multiple residents are being hired fare better than those hired singly. These are ideas from a cross-site self-assessment meeting: jobs projects involving training help participants establish relationships with case workers, trainers, and job developers; jobs projects including pre-placement training may be screening devices; jobs projects need committed, caring, and tenacious staff; and sites are developing creative strategies for post-placement tracking. (YLB)

Reproductions supplied by EDRS are the best that can be made
from the original document.

ED 465 065

Retaining Low-Income Residents in the Workforce: Lessons from the Annie E. Casey Jobs Initiative.

Bob Giloth
Susan Gewirtz

C Richardson

U.S. DEPARTMENT OF EDUCATION
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

CE 083 210

BEST COPY AVAILABLE

Jobs Home

The Sites
Learn what's going on in the six site cities.
Milwaukee
New Orleans
Philadelphia
St. Louis
Seattle

Reading Room
Click here for links to:

- Jobs Initiative Newsletters
- Workforce Policy Newsletters
- Press Releases
- Features and Policy Updates

On-line Resources
A comprehensive listing of job related and labor market reform web sites.

Mailing List
Receive announcements of the latest news and features from the Jobs

Retaining Low-Income Residents in the Workforce:

Lessons from the Annie E. Casey Jobs Initiative

Bob Giloth
AECF Jobs Initiative Project Director

and

Susan Gewirtz
Assistant Project Director

December, 1999

This research brief is the first in a series of updates related to issues around retention and advancement for low-income residents and lessons learned from the Annie E. Casey Jobs Initiative. Begun in 1995, the Jobs Initiative is an eight-year, six-site demonstration designed to improve access to family supporting jobs for residents living in low-income neighborhoods. The Jobs Initiative web site address is: www.aecf.org/jobsinitiative. For more information about this series, contact Ed Hatcher, Burness Communications, at: Hatcher@burnessc.com or call 301-652-1558 or Judy Taylor, Jobs for the Future, at Jtaylor@jff.org or call at 617-728-4446.

In addition to Jobs for the Future and Burness Communications, the authors are grateful to Scott Hebert of Abt Associates and Bob Harrington of Metis Associates for their comments and contributions in developing this brief.

TABLE OF CONTENTS

I. Introduction
II. Some Initial Questions
III. Creating An Operational Definition for Retention
IV. Self-Assessment as a Core JI Assumption
V. Preliminary Cross-Site Findings (through March 31, 1999)
VI. Using the Data - A Cross-Site Self-Assessment Meeting
VII. Conclusion and Next Steps

I. Introduction

The late 1990's have been marked by a booming economy. The "end of welfare as

CE 023 370

jobsinit@aecf.org with your name, organization, address, phone and e-mail address in the message body.

The late 1990's have been marked by a booming economy. The "end of welfare as we know it" begun in 1996 continues, and often the refrain is heard: "anyone who wants a job can get a job" in our hot economy. It is within this context, that the Jobs Initiative assumes the challenge of connecting low-income residents to good paying jobs with long-term labor market retention. In the short run, our goal is to support all the people we place in jobs, both those whose starting wages are relatively high and those whose wages are relatively low. In the longer run, the Jobs Initiative seeks to help the lower-wage entrants move up to higher wages.

Importantly, national and local policy makers and program operators are paying attention to long-term labor market attachment. Interest in this issue has grown for several reasons. First, a significant number of working Americans lives below or near the poverty level, calling into question the "work-first" strategy that has dominated American thinking about workforce development in recent years. Second, many employers are experiencing high turnover levels in their entry-level workforce, do not know what to do about it, and are starting to ask for help. Third, the workforce policy environment is changing with recent federal legislation that stresses outcomes and long-term retention.

The change in the workforce policy environment is particularly noteworthy. Recent TANF regulations permit the use of funds to help working, low-income families, regardless of TANF status. Although providing considerable leeway to the states, the Workforce Investment Act identifies retention and advancement as priorities. Finally, the Welfare to Work legislation and regulations set retention and advancement goals and specify the amount of funds that must be spent on these activities. Many WtW implementers are starting to encounter the retention issues that the JI sites have been wrestling with for some time.

This research brief by the Annie E. Casey Foundation's Jobs Initiative marks the first in a series of *bi-yearly* updates related to issues around retention and advancement. Begun in 1995, the Jobs Initiative seeks to connect low-income, inner city residents to good jobs in the regional labor market. Implemented in six sites over an eight-year period, the Initiative uses a three-phased approach. First, sites engaged in a year-long planning process. Then, during a three-year capacity-building phase, sites invest in concrete "jobs projects" to learn and demonstrate best practices for connecting low-income residents to good jobs with career potential over the long term. The JI sites are investing in a diverse set of projects and strategies ranging from short-term job readiness using the STRIVE model to longer term training focused on particular occupations and sectors. The subsequent systems reform phase builds from the lessons and credibility established during this "operational" phase and pursues broad-based reforms to benefit large numbers of low-income residents. AECF and the local JI sites have made one-year retention in the labor market and opportunities for advancement the critical outcomes by which to be measured.

This research brief focuses on the Initiative's preliminary learnings related to labor market retention. We hope this brief will stir discussion, raise questions, and suggest ways to measure and assess the effectiveness of different workforce development projects and strategies. We share these preliminary findings to [illegible] mutual learning process with employment training program implementers and policy makers concerned with effective practices.

II. Some Initial Questions

Through hard experience, the Jobs Initiative sites recognize the great challenge that long-term retention poses in today's labor market. During the past three years of implementation, a number of questions and issues have emerged. Among the areas where answers are emerging and which will continue to be addressed in future briefs:

- What are the standards and definitions for long-term retention? How long is long? What is the methodology for calculating the measure?
- Once you have defined it, how do you track people over the long run? Traditionally, programs have stopped after three months.
- How do you develop MIS systems that support self-assessment and continuous program improvements?
- Once you've made the commitment to retention, how do you help your partners/implementers develop the capacity to support new employees in the workforce?
- How much do we really know about what works for job retention for low-wage workers? Some early work has been done at Mathematica, MDRC, and at Public/Private Ventures looking at the issue from qualitative and quantitative perspectives. Most of the research to date has focused on adults receiving welfare and not on "good" jobs. Even when studying the welfare to work population, the research has offered few specific or definitive approaches that define best practices in supporting low-income workers in the labor market.
- How should we compare and connect to ongoing research related to long-term labor market retention for low-income workers?

III. Creating An Operational Definition for Retention

Reflecting its deep commitment to the well being of children and families, the Foundation designed the Jobs Initiative with a focus on young adults ages 18 - 35. We realized that for families to move beyond poverty, they needed jobs that are sustainable, provide or lead to wages that support families, and have career potential. Few examples or models existed to guide us in developing a methodology for defining retention. JTPA programs generally satisfied its retention outcomes if people were retained for 90 days. Project Match in Chicago produced data that suggested it takes a long time for people to stick in the labor market, and that it is not a linear progression.

Without the benefit of local benchmarks or nationally recognized standards for retention, AECF defined its retention target as one year in the labor market. During the first year of implementation, AECF and sites developed a more operational definition for the purposes of standardization and tracking. The key elements of the definition include:

- Retention is not limited to one job. A new worker may have several jobs in their first few years working. Multiple jobs may help to gain experience and move up.
- Retention does, however, mean that there are only very limited gaps between jobs, generally no more than 30 days. The wages and

benefits associated with the new jobs should be comparable or better than the previous job.

- Jobs in construction or other seasonal work require a more flexible definition including minimum yearly wages and that a worker can return to the job the following season.
- Sites have made some basic refinements related to our standard definition.

After having defined long-term retention for our purposes, the Jobs Initiative struggled with how to calculate it. We were concerned that we not inflate the retention rates by counting only the people who have been located. As we researched practices at other programs, we found that many account only for people that they could locate. The JI looks at 3, 6, and 12-month retention points and uses the following measures in calculating its retention rates:

12-Month Retention Table -- Example

# eligible to be retained	# actually retained	% retained	#not retained	% not retained	# not found	% not found
100	70	70%	20	20%	10	10%

Based upon the above example, we would say that at least 70%, and perhaps as many as 80% of the people were retained for 12 months in the labor market and that 20% were not retained.

IV. Self-Assessment as a Core JI Assumption

The need for self-assessment and continuous improvement stands as a central assumption of the Jobs Initiative. The Foundation and the local sites, therefore, have invested considerable time, effort, and money in developing an outcomes management framework and developing MIS systems. Developing MIS that is both responsive to the funders and project management has been a great challenge. With the assistance of the Rensselaerville Institute, sites and AECF became very clear about the milestones and targets related to enrollment, placement, and retention. In order to track their progress, sites--with the assistance of Metis Associates and local contractors--developed MIS systems for the collection, analysis, and reporting of *outcomes* data.

These MIS systems are used to produce quarterly reports that contain key data such as average placement wage by project or sector, a characteristics profile of placed participants, and employer information associated with placements such as SIC code and size. The quarterly reports help AECF and its grantees conduct real-time self-assessment that can be used to formulate desirable improvements or necessary corrective actions. Jobs Initiative MIS are also distinguished by the extent to which they contain post-placement job history. The effort is made to track detailed information associated with every job that occurs during the year subsequent to the initial placement. Each site's electronic file is also periodically merged with the data of other sites to create a cross-site analytical data mart that sources the statistical analyses conducted by the evaluator and other interested investigators.

Understanding the sources of our low and high retention rates among jobs projects has implications for current practices and for the strategies that the JI sites design for systems reform. For example, are the issues that effect retention related to human services needs, CBO practices, housing, or education needs? Is it the quality of how a jobs project is managed by leadership and front-line workers? Additionally, what affect does the quality of the job have on long-term retention-wages, benefits, and the sector? Or is it something we haven't even considered yet? We are clarifying our hypotheses related to retention. Beginning in July 1999, The Foundation -- with the assistance of Abt and Metis -- began to examine the cross-site data related to retention. Specifically, we looked at how retention is affected by the types of jobs projects, the characteristics of the residents being placed, and the types of employers/wages.

Before laying out any of the preliminary findings/questions from our first cross-site examination of the JI data, it is important to describe the limitations and weaknesses of our current database:

- We are still working with a relatively small number of cases particularly when we examine 12- month retention data.
- We are continuing to clean the data and work on data quality issues at the point of collection and entry.
- Further qualitative analysis will be needed to help us interpret the data.
- We have not used a control group although we plan eventually to compare these outcomes to those collected through administrative records such as UI, welfare, and JTPA
- Data is likely to be skewed due to Seattle's disproportionate contribution to overall placements and people eligible for one-year retention.

V. Preliminary Cross-Site Findings (through March 31, 1999)

Considerable variation in retention rates exists across sites and industries, and this initial analysis serves mainly to help us formulate questions for future analysis.

- More than 6,000 residents have enrolled in the various jobs projects across five sites. Of these enrollees, nearly 2,300 have been placed into jobs. An additional number of the 6,000 are likely to have been placed beyond the data cutoff point of March 31, 1999.
- For those with prior work experience, individuals placed in employment experienced significant hourly wage and earning increases and a higher rate of employer provided health benefits.
- After placement, JI participants work somewhat longer work weeks and weeks per year.
- Approximately 75% of those people eligible reached the 3-month retention milestone. But there is considerable variation among jobs projects. The more successful jobs projects achieve one year retention rates above 65 percent. And these projects cut across industries and sites.
- People were most likely to drop out of their job placements either within the first three months of employment, or after the six month

point.

- Individuals placed in office occupations appear most likely to be retained for 12 months while those placed in health care jobs were least likely.
- On average, people retained for 12 months did not have higher initial placement wages than those who ultimately were not retained, suggesting that starting wages may not always be the key determinant of retention potential.
- Residents in work sites where multiple residents are being hired fared better than those who were hired singly.

VI. Using the Data - A Cross-Site Self-Assessment Meeting

On September 15, 1999, AECF held a one-day meeting with several representatives from each site to discuss their retention data and the cross-site findings. This meeting was held as part of the Initiative's self-assessment process. Each site described the degree to which they are helping people to achieve long-term retention. Several sites had conducted substantial data analysis to arrive at hypotheses about why JI participants are remaining or dropping out of the labor force. Among the ideas discussed:

- Jobs projects that involve training help participants to establish relationships with case workers, trainers, and job developers. If they have problems on a job they are more likely to return to the program for help or re-placement assistance. To put it simply, relationships matter. A good example is the Milwaukee Jobs Initiative's Graphic Arts Institute Printing project and its new employer liaison whose duties include recruiting low-skilled, primarily TANF women, and encourages them to retain their placements.
- Jobs projects that include pre-placement training may act as a screening device so that less job ready people drop out before placement. Projects that move people into jobs more quickly may have lower retention rates because this "screening" process has not already happened. The New Orleans Jobs Initiative, for example, requires residents to participate in a 21-day work readiness program before they can become eligible for a second phase of more skills-oriented training.
- Jobs projects need committed, caring, and tenacious staff, from the management level to the front line worker.
- Managers and service providers need to be constantly learning and adapting the program as it develops.
- Retention services do not begin with placement; everything from recruitment through post-placement supports contributes to long-term retention success. A good example here is Seattle Job's Initiative's "men of action" support group. The St. Louis Regional Jobs Initiative's Work Link program, meanwhile, has developed retention initiatives involving the friends and family of residents as well as an association of resident alumni who provide advice and inspiration to current enrollees.
- Sometimes the data undermines assumptions related to who is likely to do well or which project components work. In several sites, little connection was found between job retention rates and typical

"barriers" such as lack of education or housing.

- Sites are developing creative strategies in the area of post-placement tracking. The city-run Seattle Jobs Initiative, for example, has contracted with the state of Washington's Employment Security Department for the agency to forward it on-going unemployment insurance data of residents who have participated in the initiative. SJI uses the data to track the retention rates of residents who have left their initial placement and will soon use it to verify data provided by community-based organizations. In one recent quarter, SJI was able to use the data to locate 66 people who they had lost track of.

Sites also discussed issues related to developing useful MIS systems, approaches to developing accountability among partners, and ways to use the data to influence public policy. While no "magic bullets" emerged from the day of sharing and discussion, participants found it useful to compare their approaches and successes with their counterparts.

VII. Conclusion and Next Steps

As described earlier, focusing on long-term labor market attachment and self-assessment are core features of the AECF Jobs Initiative. We are at the point of gaining enough collective experience including qualitative and quantitative data that we can begin to formulate hypotheses about what it takes to help low-income residents make lasting connections to good jobs. Over the next few years, our knowledge based upon real data will increase and support the testing of our hypotheses. Based upon our initial forays, we appreciate the difficulties that can arise in the data collection and self-assessment process. Self-assessment has been hard to jumpstart across sites, despite the Foundation's focus on results related to one-year retention. Sites that have dedicated staff to the analysis or worked with university partners have conducted superior analytic work. We believe self-assessment must extend beyond managers or policy analysts; front-line workers must be engaged in this process and recognize its value. Data collection can be perceived as threatening to service providers, contractors, and front-line workers because of inherent tensions in the process. On one hand, the data is needed for continuous improvement with lots of open discussion and sharing of ideas at all levels of staff. On the other hand, data can reveal that certain projects or providers are not effective which may carry some negative financial implications for providers. AECF and the JI sites are figuring out how to manage these tensions, probably with some uneven success.

We need to invest in creating cultures of learning. We need honesty in reporting, disclosure of assumptions, and definitions. Public and private sector funders of workforce development efforts need to take a lead in this. We have to be ready to question some of our basic assumptions about what makes an effective jobs project. We have to share our lessons about costs and effectiveness beyond our individual programs and projects.

This briefing paper provides only preliminary lessons from the Jobs Initiative. Nonetheless, we hope that this first brief will initiate opportunities for future learning and sharing. Over the next year we plan to share other information about the Jobs Initiative based upon our assumption that even early lessons of success and failure can be

instructive to the field. Other related materials will include:

- Benchmarking of the costs and effectiveness of approximately 10 jobs projects based upon a year of activity
- Case studies from the six sites describing individual jobs projects that have performed particularly well at retention, employer engagement, and systems reform.

We strongly encourage your comments, questions, and feedback related to this briefing paper and issues related to advancement and retention for low-income residents. Please send your comments to hatcher@burnessc.com.

The Annie E. Casey Foundation
701 St. Paul St. Baltimore, MD 21202
ph: 410-547-6600 fax: 410-547-6624

Last Updated: April 01, 2002
URL: http://www.aecf.org /jobsinitiative/retention.htm
Website Design by Velir Studios

Your Privacy | Terms of Use